November 2008

FINANCIAL AUDIT

Bureau of the Public Debt’s Fiscal Years 2008 and 2007 Schedules of Federal Debt
What GAO Found

In GAO’s opinion, BPD's Schedules of Federal Debt for fiscal years 2008 and 2007 were fairly presented in all material respects, and BPD maintained effective internal control relevant to the Schedule of Federal Debt as of September 30, 2008. GAO found no instances of noncompliance in fiscal year 2008 with the statutory debt limit.

As of September 30, 2008 and 2007, federal debt managed by BPD totaled about $10,011 billion and $8,993 billion, respectively. As shown in figure 1 below, total federal debt increased over each of the last 4 fiscal years.

During the last 4 fiscal years, managing the federal debt has continued to be a challenge as evidenced by the growth of total federal debt by $2,632 billion, or 36 percent, from $7,379 billion as of September 30, 2004, to $10,011 billion as of September 30, 2008. In fiscal year 2008 alone, total federal debt increased by $1,018 billion, the single largest annual increase in history. Of this amount, about $760 billion was from the increase in debt held by the public, which included $300 billion in cash management bills issued in September 2008 under the Supplementary Financing Program initiated by Treasury. The remaining increase in federal debt of about $258 billion was from intragovernmental debt holdings. On July 30, 2008, legislation was enacted to raise the statutory debt limit from $9,815 billion to $10,615 billion. In addition, in response to the nation's growing financial crisis, on October 3, 2008, the President signed into law legislation authorizing the Secretary of the Treasury to purchase up to $700 billion in troubled assets from financial institutions. This legislation increased the statutory debt limit by $700 billion to $11,315 billion. These increases in the statutory debt limit were the fourth and fifth such occurrences since fiscal year 2004.
November 7, 2008

The Honorable Henry M. Paulson, Jr.
The Secretary of the Treasury

Dear Mr. Secretary:

The accompanying auditor’s report presents the results of our audits of the Schedules of Federal Debt Managed by the Bureau of the Public Debt for the fiscal years ended September 30, 2008 and 2007. The Schedules of Federal Debt present the beginning balances, increases and decreases, and ending balances for (1) Federal Debt Held by the Public and Intragovernmental Debt Holdings, (2) the related Accrued Interest Payables, and (3) the related Net Unamortized Premiums and Discounts managed by the Bureau of the Public Debt (BPD). ¹

The auditor’s report contains our (1) opinion on the Schedules of Federal Debt for the fiscal years ended September 30, 2008 and 2007, (2) opinion on the effectiveness of relevant internal control as of September 30, 2008, (3) conclusion on BPD’s compliance in fiscal year 2008 with a selected provision of a law we tested, and (4) conclusion on the consistency between information in the Schedules of Federal Debt and the accompanying Overview on Federal Debt Managed by the Bureau of the Public Debt.

As of September 30, 2008 and 2007, federal debt managed by the bureau totaled about $10,011 billion and $8,993 billion, respectively, primarily for moneys borrowed to fund the federal government’s operations. As shown on the Schedules of Federal Debt, these balances consisted of approximately (1) $5,809 billion as of September 30, 2008, and $5,049 billion as of September 30, 2007, of debt held by the public and about (2) $4,202 billion as of September 30, 2008, and $3,944 billion as of September 30, 2007, of intragovernmental debt holdings.

The level of debt held by the public primarily reflects how much of the nation’s wealth has been absorbed by the federal government to finance prior federal spending in excess of federal revenues. It best represents the cumulative effect of past federal borrowing on today’s economy and the

¹Intragovernmental Debt Holdings represent federal debt issued by Treasury and held by certain federal government accounts, such as the Social Security and Medicare trust funds.
federal budget. To finance a cash deficit, the federal government borrows from the public. When a cash surplus occurs, the annual excess funds can then be used to reduce debt held by the public. In other words, annual cash deficits or surpluses generally approximate the annual net change in the amount of federal government borrowing from the public.

Intragovernmental debt holdings represent balances of Treasury securities held by federal government accounts, primarily federal trust funds (e.g., Social Security), that typically have an obligation to invest their excess annual receipts over disbursements in federal securities. Most federal trust funds invest in special U.S. Treasury securities that are guaranteed for principal and interest by the full faith and credit of the U.S. government. The federal government uses the trust funds' invested cash surpluses to assist in funding other federal government operations. The transactions relating to Treasury securities held by the federal government accounts net out on the federal government's consolidated financial statements because, under current U.S. generally accepted accounting principles, they essentially represent loans from one part of the federal government to another. These securities are nonmarketable; however, they represent a priority call on future federal budgetary resources.

While both are important, debt held by the public and intragovernmental debt holdings are very different. Debt held by the public approximates the federal government’s competition with other sectors in the credit markets. Federal borrowing absorbs resources available for private investment and may put upward pressure on interest rates. In addition, interest on debt held by the public is paid in cash and represents a burden on current taxpayers. It reflects the amount the federal government pays to its outside creditors. In contrast, intragovernmental debt holdings perform an accounting function but typically do not require cash payments from the current budget or represent a burden on the current economy. In addition, from the perspective of the budget as a whole, interest payments to federal government accounts by Treasury are entirely offset by the income received by such accounts. This intragovernmental debt and related interest represent a claim on future resources and hence a burden on future taxpayers and the future economy. Specifically, when trust funds redeem Treasury securities to obtain cash to fund expenditures, Treasury usually borrows from the public to finance these redemptions. Such borrowings result in competition for funds with the private sector and thus an effect on the economy.
We have audited the Schedule of Federal Debt since fiscal year 1997. Over this period, total federal debt has increased by 92 percent. During the last 4 fiscal years, managing the federal debt has continued to be a challenge as evidenced by the growth of total federal debt by $2,632 billion, or 36 percent, from $7,379 billion as of September 30, 2004, to $10,011 billion as of September 30, 2008. In fiscal year 2008, total federal debt increased by $1,018 billion, the single largest annual increase in history. Of this amount, about $760 billion was from the increase in debt held by the public and about $258 billion was from intragovernmental debt holdings. Two primary factors contributed to the increase in debt held by the public. First, there was a return to large reported deficits, which totaled $455 billion in fiscal year 2008 compared to $162 billion in fiscal year 2007. Second, at the request of the Federal Reserve, Treasury initiated the Supplementary Financing Program. As part of this program, Treasury issued cash management bills to provide cash for Federal Reserve initiatives. As of September 30, 2008, there were $300 billion of these cash management bills outstanding. In addition, during fiscal year 2008, Treasury experienced a reduction in the holdings of Treasury securities by state and local governments, the Federal Deposit Insurance Corporation, and the Federal Reserve. Much of this reduction can be attributed to the nation's growing financial crisis. As a result, Treasury had to rely more on domestic and foreign investors for purchasing Treasury securities. Treasury met its borrowing objectives in part by reintroducing the 52-week bill, which will be offered each month, and increasing the amounts offered at public debt auctions.

Further increases in debt held by the public are expected. On July 30, 2008, legislation was enacted to raise the statutory debt limit from $9,815 billion to $10,615 billion. In addition, in response to the nation's growing financial crisis, on October 3, 2008, the President signed into law legislation authorizing the Secretary of the Treasury to purchase up to $700 billion in troubled assets from financial institutions. This legislation increased the statutory debt limit by $700 billion to $11,315 billion. These increases in the statutory debt limit were the fourth and fifth such occurrences since fiscal year 2004.

Cash management bills are short-term securities that are issued on variable terms, often maturing within a few days of issuance. These securities do not have a regular issuance schedule, but instead are issued to meet any short-term cash needs as determined by Treasury.
The slowdown in the economy and efforts to revive it reversed the recent trend of declining annual budget deficits. The reported fiscal year 2008 budget deficit was $455 billion compared to the fiscal year 2007 deficit of $162 billion. Official estimates for fiscal year 2009 show the annual deficit approaching $500 billion. Correspondingly, debt held by the public grew to a reported 40.8 percent of gross domestic product (GDP) at the end of fiscal year 2008, after hitting a 4-year low of 36.8 percent in fiscal year 2007. However, the real challenge is not this year’s deficit or even next year’s; it is how to change the nation’s long-term fiscal path over the coming decades.

The beginning stages of the longer-term fiscal challenge are not in the distant future. The first of the baby boomers began collecting Social Security retirement benefits this year and will become eligible for Medicare in about 2 years. The budget and economic implications of the baby boom generation’s retirement have already become a factor in the Congressional Budget Office’s (CBO) 10-year budget projections and will only intensify as the baby boomers age. GAO and CBO’s long-range fiscal policy simulations show that the federal government’s current fiscal condition over the coming decades is on an unsustainable long-term fiscal path absent significant changes in policy. Currently, policymakers are understandably focused on dealing with stabilizing financial markets and stimulating the economy. Once these issues are addressed, the nation’s new and returning leaders will need to turn their attention to the long-term challenges that lie ahead.

A continuing trend that we also have noted is the significant increase in reported foreign ownership of Treasury securities. Treasury securities held by foreign and international investors increased in fiscal year 2008, continuing a trend dating back to 2001. According to amounts reported in the September 2008 Treasury Bulletin, Treasury estimates that the amount of Treasury securities held by foreign and international investors has increased by $1,647 billion—from $1,001 billion as of June 30, 2001, to $2,648 billion as of June 30, 2008. As of June 30, 2008, this represents an estimated 50 percent of debt held by the public, up from about 31 percent as of June 30, 2001. The United States benefits from foreign purchases of Treasury securities because foreign and international investors fill part of the U.S. government’s borrowing needs. However, to service this foreign-held debt, the U.S. government must send interest payments abroad.

We are sending copies of this report to the Chairman and Ranking Minority Members of the Senate Committee on Appropriations; the Senate Committee on Homeland Security and Governmental Affairs; the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Senate Committee on Homeland Security and Governmental Affairs; the Subcommittee on Financial Services and General Government, Senate Committee on Appropriations; the House Committee on Oversight and Government Reform; the House Committee on Appropriations; the Subcommittee on Government Management, Organization, and Procurement, House Committee on Oversight and Government Reform; and the Subcommittee on Financial Services and General Government, House Committee on Appropriations. We are also sending copies of this report to the Commissioner of the Bureau of the Public Debt, the Inspector General of the Department of the Treasury, the Director of the Office of Management and Budget, and other agency officials. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If I can be of further assistance, please contact me at (202) 512-3406 or engelg@gao.gov. Staff acknowledgments are provided in appendix II.

Sincerely yours,

[Signature]

Gary T. Engel
Director
Financial Management and Assurance
To the Commissioner of the Bureau of the Public Debt

In connection with fulfilling our requirement to audit the financial statements of the U.S. government,\(^1\) we have audited the Schedules of Federal Debt Managed by the Bureau of the Public Debt (BPD) because of the significance of the federal debt to the federal government’s financial statements.

This auditor’s report presents the results of our audits of the Schedules of Federal Debt Managed by BPD for the fiscal years ended September 30, 2008 and 2007. The Schedules of Federal Debt present the beginning balances, increases and decreases, and ending balances for (1) Federal Debt Held by the Public and Intragovernmental Debt Holdings, (2) the related Accrued Interest Payables, and (3) the related Net Unamortized Premiums and Discounts managed by BPD.\(^2\)

In our audits of the Schedules of Federal Debt Managed by BPD for the fiscal years ended September 30, 2008 and 2007, we found

- the Schedules of Federal Debt are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles;
- BPD had effective internal control over financial reporting and compliance with laws and regulations relevant to the Schedule of Federal Debt as of September 30, 2008; and
- no reportable noncompliance in fiscal year 2008 with a selected provision of law we tested.

The following sections discuss, in more detail, (1) these conclusions; (2) our conclusion on the Overview on Federal Debt Managed by the Bureau of the Public Debt; (3) our audit objectives, scope, and methodology; and (4) agency comments.

\(^1\)31 U.S.C. § 331(e).

\(^2\)Intragovernmental debt holdings represent federal debt issued by Treasury and held by certain federal government accounts, such as the Social Security and Medicare trust funds.
Opinion on Schedules of Federal Debt

The Schedules of Federal Debt including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the balances as of September 30, 2008, 2007, and 2006 for Federal Debt Managed by BPD; the related Accrued Interest Payables and Net Unamortized Premiums and Discounts; and the related increases and decreases for the fiscal years ended September 30, 2008 and 2007.

Opinion on Internal Control

BPD maintained, in all material respects, effective internal control relevant to the Schedule of Federal Debt related to financial reporting and compliance with applicable laws and regulations as of September 30, 2008, that provided reasonable assurance that misstatements, losses, or noncompliance material in relation to the Schedule of Federal Debt would be prevented or detected on a timely basis. Our opinion is based on criteria established under 31 U.S.C. § 3512 (c), (d), the Federal Managers' Financial Integrity Act, and the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control.

We found matters involving information security controls that we do not consider to be significant deficiencies. We will communicate these matters to BPD’s management, along with our recommendations for improvement, in a separate letter to be issued at a later date.

Compliance with a Selected Provision of Law

Our tests of BPD’s compliance with the statutory debt limit for fiscal year 2008 disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards or applicable OMB audit guidance. However, the objective of our audit of the Schedule of Federal Debt for the fiscal year ended September 30, 2008, was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

1A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements on a timely basis.
### Consistency of Other Information

BPD's Overview on Federal Debt Managed by the Bureau of the Public Debt contains information, some of which is not directly related to the Schedules of Federal Debt. We do not express an opinion on this information. However, we compared this information for consistency with the schedules and discussed the methods of measurement and presentation with BPD officials. On the basis of this limited work, we found no material inconsistencies with the schedules or U.S. generally accepted accounting principles.

### Objectives, Scope, and Methodology

BPD management is responsible for (1) preparing the Schedules of Federal Debt in conformity with U.S. generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers’ Financial Integrity Act are met; and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether (1) the Schedules of Federal Debt are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles and (2) BPD management maintained effective relevant internal control as of September 30, 2008, the objectives of which are as follows:

- Financial reporting: Transactions are properly recorded, processed, and summarized to permit the preparation of the Schedule of Federal Debt for the fiscal year ended September 30, 2008, in conformity with U.S. generally accepted accounting principles.

- Compliance with laws and regulations: Transactions related to the Schedule of Federal Debt for the fiscal year ended September 30, 2008, are executed in accordance with laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the Schedule of Federal Debt.

We are also responsible for (1) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the Schedule of Federal Debt and (2) performing limited procedures with respect to certain other information appearing with the Schedules of Federal Debt.
In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Federal Debt;

- assessed the accounting principles used and any significant estimates made by management;

- evaluated the overall presentation of the Schedules of Federal Debt;

- obtained an understanding of the entity and its operations, including its internal control relevant to the Schedule of Federal Debt as of September 30, 2008, related to financial reporting and compliance with laws and regulations (including execution of transactions in accordance with budget authority);

- tested relevant internal controls over financial reporting and compliance, and evaluated the design and operating effectiveness of internal control relevant to the Schedule of Federal Debt as of September 30, 2008;

- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers’ Financial Integrity Act; and


We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers’ Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate.
We did not test compliance with all laws and regulations applicable to BPD. We limited our tests of compliance to a selected provision of law that has a direct and material effect on the Schedule of Federal Debt for the fiscal year ended September 30, 2008. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance with U.S. generally accepted government auditing standards and applicable OMB audit guidance.

Agency Comments

In commenting on a draft of this report, BPD concurred with the conclusions in our report. The comments are reprinted in appendix 1.

Gary T. Engel
Director
Financial Management and Assurance

November 3, 2008
Overview on Federal Debt Managed by the Bureau of the Public Debt

Gross Federal Debt Outstanding

Federal debt managed by the Bureau of the Public Debt (BPD) comprises debt held by the public and debt held by certain federal government accounts (under Title 31 U.S.C. § 3101), the latter of which is referred to as intragovernmental debt holdings. As of September 30, 2008 and 2007, outstanding gross federal debt managed by the bureau totaled $10,011 and $8,993 billion, respectively. The increase in gross federal debt of $1,018 billion during fiscal year 2008 was due to an increase in gross intragovernmental debt holdings of $258 billion and an increase in gross debt held by the public of $760 billion. As Figure 1 illustrates, both intragovernmental debt holdings and debt held by the public have steadily increased since fiscal year 2004. The primary reason for the increases in intragovernmental debt holdings is the surpluses in the Federal Old-Age and Survivors Insurance Trust Fund, Civil Service Retirement and Disability Fund, Federal Supplementary Medical Insurance Trust Fund, Military Retirement Fund, and DOD Medicare-Eligible Retiree Health Care Fund. The increases in debt held by the public are due primarily to total federal spending exceeding total federal revenues. As of September 30, 2008, gross debt held by the public totaled $5,809 billion and gross intragovernmental debt holdings totaled $4,202 billion.

Figure 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Gross Debt Outstanding (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$7,379</td>
</tr>
<tr>
<td>2005</td>
<td>$7,918</td>
</tr>
<tr>
<td>2006</td>
<td>$8,493</td>
</tr>
<tr>
<td>2007</td>
<td>$8,993</td>
</tr>
<tr>
<td>2008</td>
<td>$10,011</td>
</tr>
</tbody>
</table>

As of September 30

- Held by the Public
- Intragovernmental Debt Holdings

1 Federal debt outstanding reported here differs from the amount reported in the Financial Report of the United States Government because of the securities not maintained or reported by the bureau and which are issued by the Federal Financing Bank and other specific securities issued outside of the authority of Title 31 U.S.C. § 3101.
**Interest Expense**

Interest expense incurred during fiscal year 2008 consists of (1) interest accrued and paid on debt held by the public or credited to accounts holding intragovernmental debt during the fiscal year, (2) interest accrued during the fiscal year, but not yet paid on debt held by the public or credited to accounts holding intragovernmental debt, and (3) net amortization of premiums and discounts. The primary components of interest expense are interest paid on the debt held by the public and interest credited to federal government trust funds and other federal government accounts that hold Treasury securities. The interest paid on the debt held by the public affects the current spending of the federal government and represents the burden in servicing its debt (i.e., payments to outside creditors). Interest credited to federal government trust funds and other federal government accounts, on the other hand, does not result in an immediate outlay of the Federal Government because one part of the government pays the interest and another part receives it. However, this interest represents a claim on future budgetary resources and hence an obligation on future taxpayers. This interest, when reinvested by the trust funds and other federal government accounts, is included in the programs’ excess funds not currently needed in operations, which are invested in federal securities. During fiscal year 2008, interest expense incurred totaled $454 billion, interest expense on debt held by the public was $242 billion, and $212 billion was interest incurred for intragovernmental debt holdings. As Figure 2 illustrates, total interest expense has increased from fiscal years 2004 through 2008. Average interest rates on principal balances outstanding as of September 30, 2008 and 2007, are disclosed in the Notes to the Schedules of Federal Debt.

![Figure 2: Total Interest Expense](image-url)
**Debt Held by the Public**

Debt held by the public primarily reflects how much of the nation’s wealth has been absorbed by the Federal Government to finance prior federal spending in excess of total federal revenues. As of September 30, 2008 and 2007, gross debt held by the public totaled $5,809 billion and $5,049 billion, respectively (see Figure 1), an increase of $760 billion. The borrowings and repayments of debt held by the public increased from fiscal year 2007 to 2008 due to an increase in short-term debt issuances by Treasury.

As of September 30, 2008, $5,210 billion, or 90 percent, of the securities that constitute debt held by the public were marketable, meaning that once the Federal Government issues them, they can be resold by whoever owns them. Marketable debt is made up of Treasury bills, Treasury notes, Treasury bonds, and Treasury Inflation-Protected Securities (TIPS) with maturity dates ranging from less than 1 year out to 30 years. Of the marketable securities currently held by the public as of September 30, 2008, $3,429 billion, or 66 percent, will mature within the next 4 years (see Figure 3). As of September 30, 2008 and 2007, notes and TIPS held by the public maturing within the next 10 years totaled $3,004 billion and $2,767 billion, respectively, an increase of $237 billion.

![Maturity Dates of Marketable Debt Held by the Public as of September 30, 2008](image)

2 Callable securities mature between fiscal years 2014 and 2015, and are reported by their call date.
Debt Held by the Public, cont.

The Federal Government also issues to the public nonmarketable securities, which cannot be resold, and have maturity dates from on demand to more than 10 years. As of September 30, 2008, nonmarketable securities totaled $599 billion, or 10 percent of debt held by the public. As of that date, nonmarketable securities primarily consisted of savings securities totaling $194 billion, special securities for state and local governments totaling $260 billion, and Government Account Series securities totaling $107 billion.

The Federal Reserve Banks (FRBs) act as fiscal agents for Treasury, as permitted by the Federal Reserve Act. As fiscal agents for Treasury, the FRBs play a significant role in the processing of marketable book-entry securities and paper U.S. savings bonds. For marketable book-entry securities, selected FRBs receive bids; issue book-entry securities to awarded bidders and collect payment on behalf of Treasury; and make interest and redemption payments from Treasury’s account to the accounts of security holders. For paper U.S. savings bonds, selected FRBs sell, print, and deliver savings bonds; redeem savings bonds; and handle the related transfers of cash.
Intragovernmental debt holdings represent balances of Treasury securities held by over 230 individual federal government accounts with either the authority or the requirement to invest excess receipts in special U.S. Treasury securities that are guaranteed for principal and interest by the full faith and credit of the U.S. Government. Intragovernmental debt holdings primarily consist of balances in the Social Security, Medicare, Military Retirement and Health Care, and Civil Service Retirement and Disability trust funds.3 As of September 30, 2008, such funds accounted for $3,788 billion, or 90 percent, of the $4,202 billion intragovernmental debt holdings balances (see Figure 4). As of September 30, 2008 and 2007, gross intragovernmental debt holdings totaled $4,202 billion and $3,944 billion, respectively (see Figure 1), an increase of $258 billion.

The majority of intragovernmental debt holdings are Government Account Series (GAS) securities. GAS securities consist of par value securities and market-based securities, with terms ranging from on demand out to 30 years. Par value securities are issued and redeemed at par (100 percent of the face value), regardless of current market conditions. Market-based securities, however, can be issued at a premium or discount and are redeemed at par value on the maturity date or at market value if redeemed before the maturity date.

**Significant Events in Fiscal Year 2008**

**Statutory Debt Ceiling Raised**

On July 30, 2008, the Housing and Economic Recovery Act of 2008 was signed into law becoming Public Law No: 110-289. This legislation strengthens and modernizes the regulation of the housing government-sponsored enterprises – Fannie Mae and Freddie Mac, and the Federal Home Loan Banks. Section 3083 of this law increased the statutory debt limit from $9,815 billion to $10,615 billion.

**Significant Actions Related to the Issuance of Marketable Securities**

Over the course of the fiscal year, changes in economic conditions, financial markets, and fiscal policy as well as a reduction in nonmarketable debt issuances have caused an increase in Treasury’s marketable borrowing needs. Financial market strains have impacted the real economy, and the nation has experienced lower economic growth, lower receipts, and increased outlays. Treasury has responded to the increase in marketable borrowing requirements by increasing (1) issuance sizes of regular bills, (2) the frequency, terms, and issuance sizes of cash management bills, and (3) the issuance sizes of nominal coupon security offerings.

The amount of the Federal Reserve’s System Open Market Account (SOMA) holdings has decreased significantly, which has led to more issuances to domestic and foreign investors. Specifically, total SOMA holdings were $780 billion on September 30, 2007 compared to $477 billion as of September 30, 2008.

On September 18, 2008, the Bureau of the Public Debt began issuing specific cash management bills to fund the Supplementary Financing Program (SFP). The SFP is a temporary program announced by Treasury and the Federal Reserve on September 17, 2008, to provide emergency cash for Federal Reserve initiatives aimed at addressing the ongoing crisis in financial markets. As of September 30, 2008, there were a total of eight of these cash management bills outstanding that totaled $300 billion.

**New Treasury Automated Auction Processing System**

In April 2008, the Office of Financing successfully implemented the New Treasury Automated Auction Processing System (NTAAPS). The new system brings a significant number of improvements in auction processes, security features, and consolidated back-end processing. On April 3, 2008 the 13- and 26-week bills were the first securities announced in the new system. The auctions followed on April 7, 2008, with the results released to the public within the expected window of two minutes plus or minus 30 seconds after the auction close time.
Significant Events in Fiscal Year 2008, cont.

Minimum Auction Purchase Denomination
In connection with the implementation of NTAAPS, the minimum purchase amount and increment value for Treasury marketable securities was lowered from $1,000 to $100. The change was expected to broaden distribution, improve individual investor access to Treasury marketable securities, and lower issuance costs to Treasury. An amendment to the Uniform Offering Circular was also published in the Federal Register to lower the minimum and multiple par amounts of Treasury marketable bills, notes, bonds and TIPS that may be stripped from $1,000 to $100. The new minimum and multiples for stripping also applies to outstanding Treasury marketable securities.

Reintroduction of 52-week bills
Treasury’s ongoing assessment of its debt management strategies resulted in the reintroduction of the 52-week bill. The last issue date for 52-week bills was March 1, 2001. The 52-week bills were reintroduced with the initial announcement on Thursday, May 29, 2008 and initial auction of June 3, 2008. Treasury will auction this security once every four weeks, concurrently with the 4-week bill.

Savings Bond Purchase Limit
On December 3, 2007, the Federal Register published regulations for the change in the annual savings bonds purchase limit from $30,000 to $5,000 per Social Security Number. The limit applies separately to Series EE and Series I savings bonds, and separately to bonds issued in paper or electronic form. Notice of the change was sent to financial institutions the week of December 10, 2007.
Historical Perspective

Federal debt outstanding is one of the largest legally binding obligations of the Federal Government. Nearly all the federal debt has been issued by the Treasury with a small portion being issued by other federal government agencies. Treasury issues debt securities for two principal reasons, (1) to borrow needed funds to finance the current operations of the Federal Government and (2) to provide an investment and accounting mechanism for certain federal government accounts’ excess receipts, primarily trust funds. Total gross federal debt outstanding has dramatically increased over the past 25 years from $1,377 billion as of September 30, 1983, to $10,011 billion as of September 30, 2008 (see Figure 5). Large budget deficits emerged during the 1980’s due to tax policy decisions and increased outlays for defense and domestic programs. Through fiscal year 1997, annual federal deficits continued to be large and debt continued to grow at a rapid pace. As a result, total federal debt increased nearly four fold between 1983 and 1997.

By fiscal year 1998, federal debt held by the public was beginning to decline. In fiscal years 1998 through 2001, the amount of debt held by the public fell by $476 billion, from $3,815 billion to $3,339 billion. However, higher federal outlays, tax policy decisions, and recent actions to stabilize the financial markets have resulted in an increase in debt held by the public from $3,339 billion in 2001 to $5,809 billion in 2008.
Historical Perspective, cont.

Even in those years where debt held by the public declined, total federal debt increased because of increases in intragovernmental debt holdings. Over the past 4 fiscal years, intragovernmental debt holdings increased by $1,130 billion, from $3,072 billion as of September 30, 2004, to $4,202 billion as of September 30, 2008. By law, trust funds have the authority or are required to invest surpluses in federal securities. As a result, the intragovernmental debt holdings balances primarily represent the cumulative surplus of funds due to the trust funds’ cumulative annual excess of tax receipts, interest credited, and other collections compared to spending.

As shown in Figure 6, interest rates have fluctuated over the past 25 years. The average interest rates reflected here represent the original issue weighted effective yield on securities outstanding at the end of the fiscal year.

Figure 6
Average Interest Rates of Federal Debt Outstanding

As of September 30
**Significant Change After Fiscal Year 2008 Affecting Federal Debt**

The Emergency Economic Stabilization Act of 2008 was enacted into law on October 3, 2008. Section 122 of the Act increased the statutory debt limit by $700 billion to $11,315 billion.

In order to address the increased funding needs posed by the Emergency Economic Stabilization Act, Treasury announced in a Press Release on October 6, 2008, that it would be making adjustments to the auction calendar. Treasury will continue to increase auction sizes of bills and coupon securities and continue to issue cash management bills with varying maturity dates. Additionally, Treasury is considering its options regarding the frequency and issuance of additional nominal coupons.
Schedules of Federal Debt

Managed by the Bureau of the Public Debt
For the Fiscal Years Ended September 30, 2008 and 2007
(Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Held by the Public</th>
<th>Intragovernmental Debt Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal (Note 2)</td>
<td>Accrued Interest Payable</td>
</tr>
<tr>
<td><strong>Balance as of September 30, 2006</strong></td>
<td>$4,843,121</td>
<td>$41,119</td>
</tr>
<tr>
<td><strong>Increases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from the Public</td>
<td>4,596,053</td>
<td></td>
</tr>
<tr>
<td>Net Increase in Intragovernmental Debt Holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Increases</strong></td>
<td>4,596,053</td>
<td>189,396</td>
</tr>
<tr>
<td><strong>Decreases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of Debt Held by the Public</td>
<td>4,389,869</td>
<td>186,129</td>
</tr>
<tr>
<td>Interest Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Amortization (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Decreases</strong></td>
<td>4,389,869</td>
<td>186,129</td>
</tr>
<tr>
<td><strong>Balance as of September 30, 2007</strong></td>
<td>$5,049,305</td>
<td>44,386</td>
</tr>
<tr>
<td><strong>Increases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from the Public</td>
<td>5,645,014</td>
<td></td>
</tr>
<tr>
<td>Net Increase in Intragovernmental Debt Holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Increases</strong></td>
<td>5,645,014</td>
<td>209,068</td>
</tr>
<tr>
<td><strong>Decreases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of Debt Held by the Public</td>
<td>4,885,627</td>
<td>213,327</td>
</tr>
<tr>
<td>Interest Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Amortization (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Decreases</strong></td>
<td>4,885,627</td>
<td>213,327</td>
</tr>
<tr>
<td><strong>Balance as of September 30, 2008</strong></td>
<td>$5,808,692</td>
<td>$40,127</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these schedules.
Notes to the Schedules of Federal Debt

Notes to the Schedules of Federal Debt Managed by the Bureau of the Public Debt
For the Fiscal Years Ended September 30, 2008 and 2007

(Dollars in Millions)

Note 1. Significant Accounting Policies

Basis of Presentation

The Schedules of Federal Debt Managed by the Bureau of the Public Debt (BPD) have been prepared to report fiscal year 2008 and fiscal year 2007 balances and activity relating to monies borrowed from the public and certain federal government accounts under Title 31 U.S.C. § 3101 to fund the U.S. government's operations. Permanent, indefinite appropriations are available for the payment of interest on the federal debt and the redemption of Treasury securities.

Reporting Entity

The Constitution empowers the Congress to borrow money on the credit of the United States. The Congress has authorized the Secretary of the Treasury to borrow monies to operate the federal government within a statutory debt limit. Title 31 U.S.C. authorizes Treasury to prescribe the debt instruments and otherwise limit and restrict the amount and composition of the debt. BPD, an organizational entity within the Fiscal Service of the Department of the Treasury, is responsible for issuing Treasury securities in accordance with such authority and to account for the resulting debt. In addition, BPD has been given the responsibility to issue Treasury securities to trust funds for trust fund receipts not needed for current benefits and expenses. BPD issues and redeems Treasury securities for the trust funds based on data provided by program agencies and other Treasury entities. BPD also issues other specific securities outside of the authority of Title 31 U.S.C. §3101, such as HOPE Bonds. These securities are not reported on the Schedules of Federal Debt Managed by the Bureau of the Public Debt.

Basis of Accounting

The schedules were prepared in conformity with U.S. generally accepted accounting principles and from BPD's automated accounting system, Public Debt Accounting and Reporting System. Interest costs are recorded as expenses when incurred, instead of when paid. Certain Treasury securities are issued at a discount or premium. These discounts and premiums are amortized over the term of the security using an interest method for all long term securities and the straight line method for short term securities. The Department of the Treasury also issues Treasury Inflation-Protected Securities (TIPS). The principal for TIPS is adjusted daily over the life of the security based on the Consumer Price Index for all Urban Consumers.
Notes to the Schedules of Federal Debt Managed by the Bureau of the Public Debt
For the Fiscal Years Ended September 30, 2008 and 2007

(Dollars in Millions)

Note 2. Federal Debt Held by the Public

As of September 30, 2008 and 2007, Federal Debt Held by the Public consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>Average Interest Rates</th>
<th>2007</th>
<th>Average Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td></td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>Marketable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$1,484,332</td>
<td>1.6%</td>
<td>$954,607</td>
<td>4.6%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>2,623,364</td>
<td>4.1%</td>
<td>2,456,100</td>
<td>4.4%</td>
</tr>
<tr>
<td>Treasury Bonds</td>
<td>578,504</td>
<td>7.1%</td>
<td>560,922</td>
<td>7.4%</td>
</tr>
<tr>
<td>TIPS</td>
<td>523,951</td>
<td>2.0%</td>
<td>456,776</td>
<td>2.3%</td>
</tr>
<tr>
<td>Total Marketable</td>
<td>$5,210,151</td>
<td></td>
<td>$4,428,405</td>
<td></td>
</tr>
<tr>
<td>Nonmarketable</td>
<td>$598,541</td>
<td>4.1%</td>
<td>$620,900</td>
<td>4.9%</td>
</tr>
<tr>
<td>Total Federal Debt Held by the Public</td>
<td>$5,808,692</td>
<td></td>
<td>$5,049,305</td>
<td></td>
</tr>
</tbody>
</table>

Treasury issues marketable bills at a discount and pays the par amount of the security upon maturity. The average interest rate on Treasury bills represents the original issue effective yield on securities outstanding as of September 30, 2008 and 2007, respectively. Treasury bills are issued with a term of one year or less.

Treasury issues marketable notes and bonds as long-term securities that pay semi-annual interest based on the securities' stated interest rate. These securities are issued at either par value or at an amount that reflects a discount or a premium. The average interest rate on marketable notes and bonds represents the stated interest rate adjusted by any discount or premium on securities outstanding as of September 30, 2008 and 2007. Treasury notes are issued with a term of 2 – 10 years and Treasury bonds are issued with a term of more than 10 years.

Treasury also issues TIPS that have interest and redemption payments, which are tied to the Consumer Price Index, a widely used measure of inflation. TIPS are issued with a term of 5 years or more. At maturity, TIPS are redeemed at the inflation-adjusted principal amount, or the original par value, whichever is greater. TIPS pay a semi-annual fixed rate of interest applied to the inflation-adjusted principal. The TIPS Federal Debt Held by the Public inflation-adjusted principal balance includes inflation of $72,930 million and $50,517 million as of September 30, 2008 and 2007, respectively.

Federal Debt Held by the Public includes federal debt held outside of the U. S. government by individuals, corporations, Federal Reserve Banks (FRB), state and local governments, and foreign governments and central banks. As of September 30, 2008, the FRB owned $221 billion, net of $256 billion in securities lent to dealers, for total holdings of $477 billion. As of September 30, 2007, the FRB owned $775 billion, net of $5 billion in securities lent to dealers, for total holdings of $780 billion. These securities are held in the FRB System Open Market Account (SOMA) for the purpose of conducting monetary policy.
Note 2. Federal Debt Held by the Public (continued)

Treasury issues nonmarketable securities at either par value or at an amount that reflects a discount or a premium. The average interest rate on the nonmarketable securities represents the original issue weighted effective yield on securities outstanding as of September 30, 2008 and 2007. Nonmarketable securities are issued with a term of one year or more.

As of September 30, 2008 and 2007, nonmarketable securities consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Series</td>
<td>$29,995</td>
<td>$29,995</td>
</tr>
<tr>
<td>Foreign Series</td>
<td>2,986</td>
<td>2,986</td>
</tr>
<tr>
<td>R.E.A. Series</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>State and Local Government Series</td>
<td>260,238</td>
<td>296,513</td>
</tr>
<tr>
<td>United States Savings Securities</td>
<td>194,253</td>
<td>197,171</td>
</tr>
<tr>
<td>Government Account Series</td>
<td>107,498</td>
<td>88,153</td>
</tr>
<tr>
<td>Other</td>
<td>3,570</td>
<td>6,081</td>
</tr>
<tr>
<td><strong>Total Nonmarketable</strong></td>
<td><strong>$598,541</strong></td>
<td><strong>$620,900</strong></td>
</tr>
</tbody>
</table>

Government Account Series (GAS) securities are nonmarketable securities issued to federal government accounts. Federal Debt Held by the Public includes GAS securities issued to certain federal government accounts. One example is the GAS securities held by the Government Securities Investment Fund (G-Fund) of the federal employees’ Thrift Savings Plan. Federal employees and retirees who have individual accounts own the GAS securities held by the fund. For this reason, these securities are considered part of the Federal Debt Held by the Public rather than Intragovernmental Debt Holdings. The GAS securities held by the G-Fund consist of overnight investments redeemed one business day after their issue. The net increase in amounts borrowed from the fund during fiscal years 2008 and 2007 are included in the respective Borrowings from the Public amounts reported on the Schedules of Federal Debt.

Fiscal year-end September 30, 2007 occurred on a Sunday. As a result, $26,591 million of marketable Treasury notes matured but not repaid were included in the balance of the total Federal Debt Held by the Public as of September 30, 2007. Settlement of these debt repayments occurred on Monday, October 1, 2007.
### Notes to the Schedules of Federal Debt Managed by the Bureau of the Public Debt

**For the Fiscal Years Ended September 30, 2008 and 2007**

(Dollars in Millions)

#### Note 3. Intragovernmental Debt Holdings

As of September 30, 2008 and 2007, Intragovernmental Debt Holdings are owed to the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA:</td>
<td>$2,150,651</td>
<td>$1,968,262</td>
</tr>
<tr>
<td>OPM:</td>
<td>714,850</td>
<td>687,665</td>
</tr>
<tr>
<td>HHS:</td>
<td>318,741</td>
<td>319,377</td>
</tr>
<tr>
<td>SSA:</td>
<td>216,487</td>
<td>213,830</td>
</tr>
<tr>
<td>DOD:</td>
<td>215,949</td>
<td>190,232</td>
</tr>
<tr>
<td>DOD:</td>
<td>112,726</td>
<td>92,191</td>
</tr>
<tr>
<td>DOL:</td>
<td>72,432</td>
<td>74,923</td>
</tr>
<tr>
<td>HHS:</td>
<td>59,090</td>
<td>39,248</td>
</tr>
<tr>
<td>DOE:</td>
<td>42,570</td>
<td>39,435</td>
</tr>
<tr>
<td>OPM:</td>
<td>34,397</td>
<td>32,965</td>
</tr>
<tr>
<td>OPM:</td>
<td>32,294</td>
<td>25,491</td>
</tr>
<tr>
<td>FDIC:</td>
<td>29,937</td>
<td>47,515</td>
</tr>
<tr>
<td>DOL:</td>
<td>22,367 *</td>
<td>35,775</td>
</tr>
<tr>
<td>HUD:</td>
<td>19,085</td>
<td>22,405</td>
</tr>
<tr>
<td>Treasury:</td>
<td>16,847</td>
<td>16,436</td>
</tr>
<tr>
<td>OPM:</td>
<td>15,563</td>
<td>15,890</td>
</tr>
<tr>
<td>DOS:</td>
<td>14,855</td>
<td>14,378</td>
</tr>
<tr>
<td>DOT:</td>
<td>12,811</td>
<td>12,205</td>
</tr>
<tr>
<td>Other Programs and Funds</td>
<td>100,352</td>
<td>96,125</td>
</tr>
<tr>
<td><strong>Total Intragovernmental Debt Holdings</strong></td>
<td><strong>$4,202,004</strong></td>
<td><strong>$3,944,348</strong></td>
</tr>
</tbody>
</table>

* This amount includes $5,580 million of marketable Treasury securities as well as $16,787 million of GAS securities.

Social Security Administration (SSA); Office of Personnel Management (OPM); Department of Health and Human Services (HHS); Department of Defense (DOD); Department of Labor (DOL); Department of Energy (DOE); Federal Deposit Insurance Corporation (FDIC); Department of Housing and Urban Development (HUD); Department of the Treasury (Treasury); Department of State (DOS); Department of Transportation (DOT).
Notes to the Schedules of Federal Debt Managed by the Bureau of the Public Debt
For the Fiscal Years Ended September 30, 2008 and 2007

(Dollars in Millions)

Note 3. Intragovernmental Debt Holdings (continued)

Intragovernmental Debt Holdings primarily consist of GAS securities. Treasury issues GAS securities at either par value or at an amount that reflects a discount or a premium. The average interest rates for fiscal years 2008 and 2007 were 4.8 and 5.1 percent, respectively. The average interest rate represents the original issue weighted effective yield on securities outstanding as of September 30, 2008 and 2007. GAS securities are issued with a term of on demand to 30 years. GAS securities include TIPS, which are reported at an inflation-adjusted principal balance using the Consumer Price Index. As of September 30, 2008 and 2007, the inflation-adjusted principal balance included inflation of $54,776 million and $28,643 million, respectively.

Fiscal year-ended September 30, 2007 occurred on a Sunday. As a result, $53 million of GAS securities held by Federal Agencies matured but not repaid were included in the balance of the Intragovernmental Debt Holdings as of September 30, 2007. Settlement of these debt repayments occurred on Monday, October 1, 2007.

Note 4. Interest Expense

Interest expense on Federal Debt Managed by BPD for fiscal years 2008 and 2007 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Debt Held by the Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$209,068</td>
<td>$189,396</td>
</tr>
<tr>
<td>Net Amortization of Premiums and Discounts</td>
<td>32,509</td>
<td>49,500</td>
</tr>
<tr>
<td>Total Interest Expense on Federal Debt Held by the Public</td>
<td>241,577</td>
<td>238,896</td>
</tr>
<tr>
<td>Intragovernmental Debt Holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>213,943</td>
<td>195,445</td>
</tr>
<tr>
<td>Net Amortization of Premiums and Discounts</td>
<td>(1,505)</td>
<td>(1,116)</td>
</tr>
<tr>
<td>Total Interest Expense on Intragovernmental Debt Holdings</td>
<td>212,438</td>
<td>194,329</td>
</tr>
<tr>
<td>Total Interest Expense on Federal Debt Managed by BPD</td>
<td>$454,015</td>
<td>$433,225</td>
</tr>
</tbody>
</table>

The valuation of TIPS is adjusted daily over the life of the security based on the Consumer Price Index for all Urban Consumers. This daily adjustment is an interest expense for the Bureau of the Public Debt. Accrued interest on Federal Debt Held by the Public includes inflation adjustments of $26,982 million and $10,276 million for fiscal years 2008 and 2007, respectively. Accrued interest on Intragovernmental Debt Holdings includes inflation adjustments of $14,479 million and $378 million for fiscal years 2008 and 2007, respectively.
Notes to the Schedules of Federal Debt Managed by the Bureau of the Public Debt

For the Fiscal Years Ended September 30, 2008 and 2007

(Dollars in Millions)

Note 5. Fund Balance With Treasury

<table>
<thead>
<tr>
<th></th>
<th>As of September 30, 2008</th>
<th>As of September 30, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriated Funds Obligated</td>
<td>$168</td>
<td>$156</td>
</tr>
</tbody>
</table>

The Fund Balance with Treasury, a non-entity, intragovernmental account, is not included on the Schedules of Federal Debt and is presented for informational purposes.

Note 6. Subsequent Event

In order to address funding needs posed by the Emergency Economic Stabilization Act of 2008 enacted into law on October 3, 2008, issuances of marketable securities will continue to increase. This act increased the statutory debt limit by $700 billion to $11,315 billion.
October 6, 2008

Mr. Gary T. Engel
Director, Financial Management and Assurance
Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Engel:

This letter is our response to your audit of the Schedules of Federal Debt Managed by the Bureau of the Public Debt for the fiscal years ended September 30, 2008 and 2007. We agree with your audit report's conclusions.

We appreciate the knowledge and experience displayed by your audit team as we finalize the twelfth consecutive year of our professional relationship. This year has been unusually challenging with the shift in economic and policy changes, but we were able to work in collaboration with your audit team to achieve positive results. We would like to thank you and your staff for your efficiency and timeliness as we face more stringent audit requirements. Through combined efforts, the usability of these reports continues to grow and we look forward to continuing this productive and successful relationship.

Sincerely,

Van Zeek
Commissioner

www.treasurydirect.gov
GAO Contact and Staff Acknowledgments

GAO Contact
Gary T. Engel, (202) 512-3406, engelg@gao.gov

Acknowledgments
In addition to the individual named above, Dawn B. Simpson, Assistant Director; Dean D. Carpenter; Dennis L. Clarke; Chau L. Dinh; Michael T. Grimes; Natasha F. Guerra; J. Andrew Long; Megan J. Maisel; Nicole M. McGuire; Richard P. McLean; Jay R. McTigue; Stephanie A. Miller; and David L. Yoder made key contributions to this report.
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